

# **APPENDIX S**

## **WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE - 7 OCTOBER 2008**

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**Title:**

**REDUNDANCY OF EXTERNALLY FUNDED POSTS**

**[Portfolio Holder: Cllr Denise Le Gal]  
[Wards Affected: N/A]**

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**Summary and purpose:**

The purpose of this report is to consider and make recommendations on how Waverley agrees redundancies for externally funded posts and at what level redundancy payments should be made for those posts.

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**How this report relates to the Council's Corporate Priorities:**

This report relates to value for money priority to ensure that external funding bids include provision for redundancy costs.

**Equality and Diversity Implications:**

There are no equality and diversity implications.

**Resource/Value for Money implications:**

The proposals identified in this report, if approved, will establish clear financial arrangements for employing externally funded staff, including the arrangements for dealing with redundancies should that funding be withdrawn.

**Legal Implications:**

The legal implications are covered in the report.

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**Introduction**

1. Employees appointed to externally funded posts are aware at the time of appointment that their continued employment depends upon the funding being available. Externally funded employees are contractually Waverley employees. When the funding ceases it is Waverley who is required to make the post redundant. Redundancy costs accrue once an employee has completed 2 years service and increase with age and service.
2. Often, external funding is ended at the last minute and alternative sources of funding tend not to be available. In such circumstances where the employee has worked for the Council for over two years and where there is no other post available elsewhere in the Council, it is necessary to make the post redundant.

### **Issues to Consider**

3. Current practice requires that the Executive considers and agrees the redundancy. However, externally funded posts by their nature are not established posts and the process of taking a report to the Executive can delay the implementation of the redundancy and increase the costs to Waverley and/or the funding body
4. Previously, when external funding arrangements have been entered into, not all managers have considered the costs of redundancy. The risk with this approach is that Waverley may unexpectedly have to cover all or part of the costs.
5. To date, Waverley has not explicitly considered the basis on which externally funded posts should be made redundant. Currently, like all other posts, when an externally funded post is made redundant the general Waverley policy is applied and redundancy payments based on three weeks pay for every year of service are used. This is unlikely to be the same basis as that used by external funders and may not receive their agreement.

### **Proposals to overcome current issues**

6. In future, it is suggested that the decision to agree any redundancies for externally funded posts should be delegated to the Chief Executive in consultation with the Portfolio Holders for Human Resources and the Service concerned to avoid any unnecessary delays and costs to the Council and to provide earlier clarity to staff.
7. When a bid for funding is submitted, the Manager/Head of Service must build in redundancy costs and agree the level of funding for redundancy payments with the funding body. All externally funded posts should be agreed in advance by the Executive.
8. If subsequently the funding ends, is withdrawn or not extended:
  - HR team will seek redeployment opportunities for the postholder, or
  - The redundancy process will commence with the Chief Executive agreeing to the redundancy in consultation with the Portfolio Holders.
  - Where there are no redeployment opportunities available the employee is made redundant, with costs calculated as agreed in the funding bid.
9. For externally funded posts, redundancy payments should only accrue on the basis agreed with the funding body and this will be based on statutory redundancy rates.

### **Recommendation**

It is recommended that

1. the Executive agrees all new externally funded posts with clear agreement as to how potential redundancy costs are to be met;

2. the redundancy payments for all new externally funded posts be calculated using statutory rates unless a different calculation basis is agreed by the funding body at the time the appointment is made; and
3. the Executive gives delegated authority to approve redundancies for externally funded posts to the Chief Executive in consultation with the Portfolio Holders for Human Resources and the Service concerned.

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Background Papers (DCEx)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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**CONTACT OFFICER:**

**Name:** Alex Overington

**Telephone:** 01483 523385

**E-mail:** alex.overington@waverley.gov.uk

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